

Funding for disadvantaged pupils – PAC report

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Summary

The House of Commons Public Accounts Committee has published its report on funding for disadvantaged children. It is based on a value for money report from the National Audit Office and evidence taken from the Department for Education, the Education Endowment Foundation and two practicing head teachers. The report provides an overview of progress made on the Department's objective of narrowing the attainment gap between disadvantaged pupils and their peers, largely through the use of the Pupil Premium, and raises some key issues of concern for the administration of the Pupil Premium in the period ahead. PAC Chair, Meg Hillier MP, called for 'a step change in supporting pupils from disadvantaged backgrounds who risk losing out if the early success of the Pupil Premium is not spread more widely'. The report includes some points of specific relevance for local authorities.

This briefing will be of particular interest to elected members and officers with responsibility for education and children's services.

Overview

The House of Commons Public Accounts Committee report, [Funding for disadvantaged pupils](#), sets out the conclusions and recommendations of the Committee's inquiry following the National Audit Office's value for money [report](#) of the same title. The Committee took evidence from Chris Wormald, DfE Permanent Secretary; Juliet Chua, DfE Director, post 16 and Disadvantaged Group; Sir Kevan Collins, Chief Executive, Education Endowment Fund (EEF); and two serving head teachers – Dame Sharon Hollows (Charter Academy, Portsmouth) and Alexis Widdowson (Berwick Academy).

The NAO report (see 'Related briefings') focused on the DfE's implementation of the Pupil Premium (introduced in 2011) and how well schools are using the funding in order to meet the Department's objective of having 'a significant positive impact' on the attainment gap between disadvantaged pupils and their peers – in primary schools by 2015 and in secondary schools by 2020.

Key points from the NAO report which surfaced in the PAC inquiry include the following:

- the DfE currently defines children as disadvantaged if they are (or have been in the past six years) eligible for means-tested free school meals, or if they are or have been looked after by a local authority; two million (29%) of the seven million pupils aged 4 to 16 years in state schools are from disadvantaged backgrounds. It is estimated that 11% of eligible pupils do not receive free school meals (or trigger pupil premium payments) as their parents do not claim the entitlement; the introduction of Universal Infant Free School Meals and the

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forthcoming introduction of Universal Credit raise unresolved issues about future identification of disadvantaged pupils

- the Pupil Premium, worth £2.5 billion in 2014-15, is distributed to schools according to their number of disadvantaged pupils. Schools have freedom to choose how it is spent, but are held to account through Ofsted inspection, published Pupil Premium statements and exam results; school autonomy makes variation in use and outcomes inevitable, 'while at the same time making good oversight and effective dissemination of best practice essential'. Introducing the Pupil Premium has increased school leaders' focus on improving outcomes for disadvantaged pupils, but many schools spend some of the Pupil Premium on approaches that may not be cost effective and the different choices made by schools about which pupils to fund leave some disadvantaged pupils at risk of missing out on the full benefit of the funding
- the DfE requires local authorities (LAs) to use deprivation as a factor when allocating core funding to schools. In 2014-15, LAs distributed £2.4 billion on this basis, out of a total of £41.5 billion of revenue funding for pupils aged 4-16. However, there is very wide variation in local arrangements, leading to very substantial differences in the level of funding between similar schools in different areas
- to help schools use the Pupil Premium effectively, the DfE provides funding to the Education Endowment Foundation, to increase the amount of relevant evidence available and encourage its use by schools
- the attainment gap has narrowed since the introduction of the Pupil Premium, but slowly (by 4.7 percentage points in primary schools and 1.6 percentage in secondary schools), and it remains wide: in 2014, 63.5% of disadvantaged pupils failed to achieve five good GCSEs including maths and English compared with 36% of their peers. The DfE has not yet been specific enough about how it will judge whether the Pupil Premium has succeeded.

The PAC's conclusions and recommendations (summarised) are:

- the Department has demonstrated the potential of the Pupil Premium, but it has not yet set out how it will judge success... In line with its original objective to obtain significant impact in primary schools by 2015 and in secondary schools by 2020, the Department should urgently define what "significant" means, setting out its timetable for action as soon as possible and how it will track and report on the post-school destinations of pupils
- while the evidence base for what works is growing, the Department does not do enough to make sure this good practice is adopted in weaker schools... it should develop the necessary mechanisms to make sure that schools use effective interventions with disadvantaged pupils. In addition, the Department should make Pupil Premium Reviews mandatory for those schools identified as using the Pupil Premium ineffectively and should ensure that schools share best practice on using the Pupil Premium effectively. It should consider how best to encourage weaker schools to participate, and set out its action plan and timetable to achieve this
- the DfE and EEF do not understand enough about the reasons why disadvantaged pupils from some backgrounds do markedly better at school than others... The EEF should carry out and disseminate research into the reasons why disadvantaged pupils from certain communities do better at school than others
- parental engagement is important if a child is to do well at school but some schools are struggling to challenge disengaged parents effectively... The Department should clarify the

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circumstances in which it expects schools to challenge parental disengagement and, in collaboration with the EEF, should improve guidance about what schools should do. It should also set out what could be done to join up other public and third sector groups to ensure that parental support, or lack of it, is addressed across the board

- the Department has not yet resolved the potentially destabilising impact that Universal Credit may have on the ability to identify disadvantaged pupils... It should write to the Committee within six months to update us on its plans to mitigate this risk, and should ensure that local authorities encourage all eligible parents to register for free school meals
- it will be important to monitor the impact of spending on the recently introduced Early Years Pupil Premium... The Department should review its level and effectiveness after the first year of operation
- there continues to be wide variation in the funding given to schools, even those dealing with similar levels of disadvantage... The Department should set out a clear timetable for completing its review of the schools funding formula and make sure this review leads to a more structured and evidence-based approach to setting overall funding for schools with similar levels of deprivation.

Briefing in full

Using the NAO report as the basis of its inquiry, the Committee took oral evidence from two head teachers, the DfE Permanent Secretary and the Group Director responsible for the Pupil Premium and from the Chief Executive of the EEF. It received a [written submission from the DfE](#) providing further information on points raised in questioning, and a similar (but much shorter) [submission from the EEF](#).

It also received a [written submission from the Carers Trust](#), which urged the inclusion of all young carers in the scope of the Pupil Premium, and the collection of data on the number of pupils currently receiving the Pupil Premium who have caring responsibilities. The Carers Trust estimates that 60% of young carers receive Pupil Premium funding through free school meal eligibility, but this takes no account of disadvantage arising from caring responsibilities; the submission sets out the case for their full inclusion.

Links to the oral and written evidence are provided in the report. Key points arising are summarised below.

The head teachers' evidence

The head teachers both emphasised the importance of knowing their pupils and families well in order to be aware of their individual needs. They valued the flexibility they have in applying the premium, and illustrated how they use it to meet very different individual needs, but both make use of the EEF toolkit on effective interventions, and both agreed that schools should be pressured to carry out a pupil premium audit where necessary (it is generally schools which are weak that are slow or reluctant to seek out models for improvement). They emphasised the importance of parental engagement, and described how they encourage a high level of contact.

DfE and EEF evidence

The Permanent Secretary welcomed the NAO report, and ‘endorsed everything written in it’, pointing out that it was extremely timely ‘because the Government has a lot of decisions to take in the spending review and beyond about how it wishes to evolve this policy’. Sir Kevan Collins added that, while there are differences between children from communities with different ethnic origins, the differences *within* those communities between those who are disadvantaged and others are far greater (with the widest gap amongst white pupils at GCSE, amongst whom the disadvantaged group also have the lowest attainment by ethnicity, as shown in figure 1 of the NAO report).

Key points arising from the [questioning](#) are outlined below (in the order in which they arose); further detail on pupils with English as an additional language and the Early Years Pupil Premium is to be found in the written submissions:

- there is concern about families not claiming free school meals to which they are entitled (and schools consequently missing out on Pupil Premium payments), and the DfE is to ‘open a dialogue’ with LAs and schools with high rates of under-registration
- there is discussion with the Department for Work and Pensions (DWP) about arrangements for identifying eligibility for free school meals following introduction of Universal Credit
- the DfE will be looking at how the system of Pupil Premium reviews is working, and has increased the number of available reviewers in response to the NAO report - though capacity issues remain. (A [guide to effective pupil premium reviews](#) has been produced by the Teaching Schools Alliance and Sir John Dunford, Pupil Premium Champion.)
- the EEF has developed a [‘family of schools’ toolkit](#), with every school in England placed in a group of 50 schools with similar characteristics, to encourage and facilitate comparison of performance and school-to-school learning on use of the Pupil Premium
- the DfE acknowledges the challenge over how long-term progress will be measured; it is reluctant to set targets, but is looking at how performance could be benchmarked against the highest-performing jurisdictions – in order to set the challenge of being as good as the best in the world rather than meeting numerical targets
- “the governing [Conservative] party committed itself to providing the pupil premium, protected at current rates, as part of its manifesto”
- a DfE paper comparing the Pupil Premium with previous approaches to improving the attainment of disadvantaged pupils, including Excellence in Cities is annexed to the Department’s written submission; this is a previously unpublished internal review
- the focus for measuring success of the Pupil Premium has been exam performance; in future, the DfE will be looking increasingly at destination measures. The EEF is doing some work jointly with the DfE on what is broadly called ‘character’ (eg. self-resilience, regulation and confidence) to try and understand the relationship between attainment as the best indicator for a life of work and wellbeing and other contributing factors
- the impact of Pupil Premium expenditure at school level depends on the thought that goes into deciding which intervention to use to make a difference for particular pupils and the effectiveness with which interventions are deployed; there is ample evidence of the same interventions having a different impact in different schools. EEF (which is not a field force, but has only 24 people) is working with others on building local capacity by improving access to evidence (eg. a recent [report](#) on making best use of teaching assistants)

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- the Government is committed to developing a fairer funding mechanism for schools, but this will await the spending review; meanwhile Pupil Premium does provide ‘a more level field and real resources’ – with two big changes, supported by evidence: increasing the allocation to primary schools above that to secondary schools, and putting more money into early years
- the DfE will be considering the point raised in the NAO report that schools in some deprived areas (eg. some rural and coastal areas) struggle to recruit high quality teachers, but have not generally been using their pay freedoms to address this problem; some measures are in place or planned (eg. Teach First and the talented leaders programme), and the Prime Minister has made a commitment to looking at the idea of a national teaching service to get some of the best teachers to work in the most challenging places
- the EEF has recently published a significant [report](#) on English as an additional language and educational achievement, which highlights a number of key issues. But there is a significant issue of why white, disadvantaged and poor pupils are doing so badly – yet many schools serving such pupils are doing really well, and we need to learn from those and replicate their practice in others
- despite its acknowledged importance, what successful parental engagement actually looks like is at school level is under-researched, and opinion is divided (even between successful schools) about whether their focus should be on actively reaching out or on what happens within the school; a number of studies are exploring this issue
- a brief response to a request for an update on progress over careers advice (arising from a PAC recommendation in 2014) is amplified in the DfE written submission, which sets out an account of the Enterprise Adviser pilots run by five Local Enterprise Partnerships.

Comment

Local authorities have an important role to play in a number of the issues arising from the PAC inquiry: monitoring the effectiveness of Pupil Premium expenditure in schools in their area, and encouraging school-to-school learning; monitoring whether schools conduct an effective Pupil Premium Review when one is recommended; supporting schools in the successful engagement of parents, including through the coordination of such activity across agencies working with families; making effective efforts to ensure that all parents eligible to claim free school meals do so (as many LAs already do); and providing support to schools that struggle to recruit high quality teachers.

Despite the Permanent Secretary ‘endorsing everything’ written in the NAO report, the Department has some pressing issues to resolve, some of which have been around for a very long time – as one member of the Committee observed, “Although I am delighted by much of what I have heard, part of me is thinking, ‘What have you all been doing for the last 50 or 60 years?’ I would think that figuring out how you help disadvantaged pupils and what works and what does not was pretty mainstream business for a Ministry of Education”.

There is obviously an urgency about resolving the impact of Universal Credit, and the DfE is asked to inform the PAC within six months on progress. And defining success for the Pupil Premium (which was meant to have been ‘significant’ in primary schools by this year) is also pressing; whilst numerical targets have their faults (a narrow attainment caused by low attainment at the top is obviously undesirable), the aim of benchmarking our performance against the highest performing

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jurisdictions and being as good as the best suggests a high degree of optimism, or a long haul. [Key findings](#) from the most recent OECD PISA results show that the UK is around the middle of the table in terms of overall performance in maths, reading and science and around the OECD average in terms of the correlation between socio-economic status and performance. But we have schools – and areas, especially London – which significantly buck the national trend; the trick (as so frequently) is finding how to narrow that gap.

External links

[Funding for disadvantaged pupils](#) – PAC report

[Funding for disadvantaged pupils](#) – NAO report

Related briefings

[Funding for disadvantaged pupils – NAO report](#) (July 2015)

For further information, please visit www.lgiu.org.uk or email john.fowler@lgiu.org.uk